

Route 28 Taxing District

700-01-Route 28 Taxing District

Fund: 700, Route 28 Taxing District	
Total Expenditures	\$6,087,185
Revenue:	
General Fund Support	\$0
Bond Revenue	\$0
Other Revenue	\$6,087,185
Total Revenue	\$6,087,185

► Summary of Program

The Route 28 Taxing District was formed on December 21, 1987 to provide improvements to State Route 28. Fairfax County and Loudoun County formed a partnership, upon landowner petition, to accelerate planned highway improvements proposed by the State which relied primarily on slower pay-as-you-go financing. Under Virginia law, such a district may be formed upon the joint petition of owners of at least 51 percent of the land area in each county which is within the boundaries of the proposed district and which has been zoned or is used for commercial or industrial purposes.

The District, administered by a Commission appointed by the Board of Supervisors of both Counties, may subject the owners of industrial and commercial property within the District to a maximum additional tax assessment of 20 cents per \$100 of assessed value. These funds, in addition to funds received through the State Primary Road Fund allocation formula, are used for the road improvements and for debt service on bonds issued by the State.

► Funding Availability and Future Considerations

Funding is made available through a special assessment ad valorem tax on all real estate within the District. At present, there are no approved plans to fund additional phases of this project. However, discussions are taking place on proposals to construct additional lanes and separated grade intersections with projected surplus revenues.

Based on current revenue estimates and revised projections for tax collections in FY 2001, it is possible that for the first time in its history, the District will be able to pay the entire debt service requirement in FY 2001 and FY 2002. If projections are realized, the tax rate in the District could be reduced beginning in FY 2003, assuming the funds are not required for future expansion and improvements for Route 28.

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► **Funding Methodology**

Annual funding for the Tax District is based on the assessed real estate value in the Route 28 District and estimated tax collections. Any interest earned by County funds after payment to the State but before the bond debt service payment is made, is credited to the required debt service payment. Differences required to make up the full debt service payment are provided by the State. The current tax rate is 20 cents per \$100 of assessed value. In accordance with the terms of the contract, the District must pay the full debt requirement for two years before the tax rate can be reduced.

► **Status of Program**

Phase I improvements are complete and included widening the existing road from two to six lanes and upgrading three major intersections. Current funding supports debt service payments which will be required until FY 2018.